



# Cabinet

## Minute of Decision

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### Social Sector Leadership: Delivering Better Results

**Portfolios**                      **State Services / Social Investment**

#### Background

On 10 April 2017, following reference from the Cabinet Social Policy Committee (SOC), Cabinet:

- 1        **noted** that SOC invited the Minister of State Services to report back with options for the future arrangements of social system leadership in light of the sector changes following the establishment of the Ministry for Vulnerable Children, Oranga Tamariki [SOC-16-MIN-0053];
- 2        **noted** that in December 2016, Cabinet:
  - 2.1      agreed in principle, subject to a report-back in early 2017, to disestablish the Social Sector Board and replace it with a Cabinet-mandated Social Investment Board, based on the Specific Purpose Board model developed as part of the Better Public Services Reforms;
  - 2.2      agreed in principle, subject to a report-back in early 2017, to establish a new Departmental Agency;
  - 2.3      invited the Minister of State Services to report back to SOC in early 2017 on:
    - 2.3.1    the mandate, remit and terms of reference for the Social Investment Board;
    - 2.3.2    the final composition of the Board and how the interests of Te Puni Kōkiri and the population agencies in the working of the Board will be met;
    - 2.3.3    how the Social Investment Board will differ from the current Social Sector Board;
    - 2.3.4    an implementation plan including the commencement date;
    - 2.3.5    the location for the Departmental Agency;
    - 2.3.6    the financial costs of the proposals;

- 2.4 invited the Minister of State Services to explore the feasibility of including the functions of Superu in the Departmental Agency and to provide advice in the report-back;

[CAB-16-MIN-0664]

### Social Investment Board

- 3 **agreed** to establish the Social Investment Board (the Board);
- 4 **agreed** to the Terms of Reference for the Social Investment Board, attached as Appendix 1 to the submission under CAB-17-SUB-0146, setting out the purpose, scope, functions, membership, remit, and accountabilities of the Board;
- 5 **noted** that the State Services Commissioner intends to designate the chief executives of the Ministries of Justice, Health, Social Development, and Education as the members of the Social Investment Board;
- 6 **noted** that, as set out in the Terms of Reference, the Board will report to SOC through the Minister responsible for the Board, i.e. the Minister Responsible for Social Investment;
- 7 **noted** that the State Services Commissioner will appoint an Independent Chair for the Board following consultation on candidates with the Minister responsible for the Board;
- 8 **invited** the Minister for State Services and the Minister Responsible for Social Investment to report back to SOC by 31 July 2018 on the progress and operations of the Social Investment Board, the Social Investment Agency, and any further changes required to enhance effectiveness;

### Departmental Agency

#### Establishment of Departmental Agency

- 9 **agreed** to establish a Departmental Agency, effective from 1 July 2017, and that the host department for the Departmental Agency will be the State Services Commission;
- 10 **agreed** that the Social Investment Agency will:
- 10.1 provide advice, informed by data and analytics, to help determine investment priorities for the government's social investment approach;
  - 10.2 monitor the performance of selected investments over time;
  - 10.3 develop the necessary architecture to assist social sector agencies implement the social investment approach, and assess progress and maturity;
  - 10.4 develop new approaches to working with targeted groups of customers with complex needs;
  - 10.5 provide the responsible Minister with independent advice on social investment;
- 11 **noted** that the work of the Social Investment Agency cannot be directed by the Social Investment Board;

12 **noted** that the following resources will transfer to the Departmental Agency from 1 July 2017:

12.1 the Social Investment Unit;

12.2 the Social Sector Strategy group from the Ministry of Social Development;

12.3 the national support function for place-based initiatives;

**Financial implications**

13 **noted** that funding received through the budget process for the Social Investment Unit will be appropriated in Vote State Services as part of the operating budget for the Departmental Agency;

14 **noted** that the expense incurred for the remuneration of the chief executive of the Departmental Agency can be accommodated within the appropriation for chief executive remuneration;

15 **agreed** to establish the following new appropriations:

Vote	Appropriation Minister	Title	Type	Scope
State Services	Minister Responsible for Social Investment	Designing and Implementing Social Investment	Departmental Output Expense	This appropriation is limited to identifying where and how to implement a social investment approach, assessing how well a social investment approach is being delivered in these areas, and providing tools and support to agencies to assist them in implementing a social investment approach.
State Services	Minister Responsible for Social Investment	Place-based initiatives – national support	Departmental output expense	This appropriation is limited to providing support and evaluation across place-based initiatives.

16 **noted** that \$2.828 million will transfer from Vote Social Development to Vote State Services;

17 **approved** the following fiscally neutral adjustment to transfer the Social Sector Strategy team from the Ministry of Social Development to the Departmental Agency, with no impact on the operating balance:

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Vote Social Development</b> <b>Minister of Social Development</b> Departmental Output Expense: Policy Advice (funded by revenue Crown)	-	(1.808)	(1.808)	(1.808)	(1.808)
<b>Vote State Services</b> <b>Minister Responsible for Social Investment</b> Designing and Implementing Social Investment (funded by revenue Crown)	-	1.808	1.808	1.808	1.808

- 18 **approved** the following fiscally neutral adjustment to transfer responsibility for national support of place based initiatives from the Ministry of Social Development to the new Departmental Agency within the State Services Commission, with no impact on the operating balance:

	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
<b>Vote Social Development Minister for Social Development</b> Departmental Output Expense: Place-based initiatives – national support (funded by revenue Crown)	-	(1.020)	-	-	-
<b>Vote State Services Minister Responsible for Social Investment</b> Departmental Output Expense: Place-based initiatives – national support (funded by revenue Crown)	-	1.020	-	-	-

#### Role of Te Puni Kokiri and population agencies

- 19 **noted** that the Minister of State Services and the Minister Responsible for Social Investment envisage that the population agencies will have a mandated, hands-on role including:
- 19.1 specific input and advice to the Departmental Agency to inform advice on social investment priorities;
  - 19.2 advice on the work programme to be recommended to SOC;
  - 19.3 contestable advice to Ministers on proposed priorities and results;
  - 19.4 independent assessment of progress towards results;
- 20 **noted** that the State Services Commissioner will work with the chief executive of the Departmental Agency to set formal expectations on how this will work in practice;

#### Order in Council to establish Departmental Agency

- 21 **agreed** that the name of the new Departmental Agency will be the Social Investment Agency;
- 22 **invited** the Minister of State Services to instruct the Parliamentary Counsel Office to draft Orders in Council to establish a new Departmental Agency named the Social Investment Agency to Schedule 1A of the State Sector Act 1988;

#### Appointing a chief executive to the departmental agency

- 23 **noted** the impending vacancy for the position of chief executive for the Social Investment Agency;
- 24 **noted** that the State Services Commissioner intends to appoint an acting chief executive as soon as is practicable once the Order in Council has been made;
- 25 **noted** that the State Services Commissioner intends to appoint a substantive chief executive as soon as practicable after the Social Investment Agency comes into legal existence;

**Feasibility of including functions of Superu in the departmental agency**

- 26 **noted** that the functions of the Families Commission, an Autonomous Crown entity currently trading as Superu, include monitoring and evaluation of social services;
- 27 **noted** that transferring Superu functions to the Social Investment Agency will require amendments to the Families Commission Act;
- 28 **noted** that the immediate focus is to strengthen the alignment of functions for the social investment system between Superu, the Social Investment Agency and the Social Investment Board;
- 29 **invited** the Minister Responsible for Social Investment to work with the Minister responsible for Superu to determine the most effective arrangements for formalising links between, and aligning the functions of, Superu, the Social Investment Agency and the Social Investment Board;

**Further option for decision – transfer of Superu functions**

- 30 **noted** that integrating the functions of Superu through transfer into the Social Investment Agency has the potential to provide a single point of leadership and accountability, create a critical mass of expertise, allow greater flexibility to shift resource between functions, and facilitate advice to Ministers that is based on a more comprehensive evidence base;
- 31 **agreed in principle, subject to** the report back referred to in paragraph 33 below, to disestablish the Families Commission (trading as Superu) and its functions, reassess the functions required for the Social Investment Agency to fulfil its role, and reassess the remaining functions (identifying elements to be continued such as the Family and Whānau Status Report) for possible allocation to other agencies (e.g. Ministry of Social Development);
- 32 **noted** that officials' initial assessment is that there will be employment implications associated with the proposed disestablishment of Superu as provided under paragraph 31, including a potential for redundancies
- 33 **invited** the Minister of State Services and Minister Responsible for Social Investment to report back to SOC by 31 July 2017 on the functions to transfer from Superu to the Social Investment Agency, and funding, employment implications, implementation timeframes, and decisions needed to enable legislative change.

Michael Webster  
Secretary of the Cabinet

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**Hard-copy distribution:**

Prime Minister  
Minister of State Services  
Minister Responsible for Social Investment